

City of Miami Gardens

Florida

*2009 Popular Annual Financial Report
For Fiscal Year Ended September 30, 2009*



It Starts in Parks!

2009 POPULAR ANNUAL FINANCIAL REPORT



CITY OF MIAMI GARDENS, FLORIDA

CITY OFFICIALS

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2009

CITY COUNCIL

Shirley Gibson, Mayor
Oliver Gilbert III,, Vice Mayor
Aaron Campbell, Jr., Council Member
Melvin L. Bratton, Council Member
Sharon Pritchett, Council Member
Barbara Watson, Council Member
Andre Williams, Council Member

CITY MANAGER

Dr. Danny O. Crew

CITY CLERK

Ronetta Taylor, MMC

CITY ATTORNEY

Sonja K. Knighton Dickens

FINANCE DIRECTOR

Patricia Varney, CGFO

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**City of Miami Gardens
Florida**

for the Fiscal Year Ended

September 30, 2008



President

Executive Director

Tables of Contents

	<u>Page</u>
About this Report/Profile of the City	1
Accomplishments in Fiscal Year 2009	2-4
Financial Highlights	
Citywide Net Assets and Capital Assets	5
Citywide Change in Net Assets.....	6
Types of Funds	7
General Fund	8-9
Other Funds	10
Long Term Debt	10
For the Future and Economic Factors	11
Awards & Acknowledgements	12

About this Financial Report

The City of Miami Gardens is proud of its accomplishments over the past year. This is why we are equally proud to present our residents and businesses with the City's second Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2009.

This report provides a summary of the City's major financial and non-financial accomplishments during fiscal year 2009. As stewards of your money, we believe that it is important to share this information with you so that you will have confidence that your elected officials and City staff are doing their best to make Miami Gardens a great place to live and work.

The PAFR is a summary of the financial activities of the City's governmental funds, and was drawn from information found in the 2009 Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and includes financial statements audited by the City's independent auditor, Harvey, Covington, and Thomas LLC.

Unlike the CAFR, the PAFR is un-audited and presented on a non-GAAP basis. The GAAP basis presentation in the CAFR includes the presentation of individual funds, as well as full disclosure of all material events, financial and non-financial, in notes to the financial statements. Copies of the CAFR, PAFR, and the Financial Trends Reports are available for public viewing at City Hall and online at www.miamigardens-fl.gov.

Profile of the City

The City of Miami Gardens, Florida, was incorporated on May 13, 2003, as the 33 municipality in Miami-Dade County, and at a population of 111,207, is the County's third largest city after the City of Miami and Hialeah. Located in North-Central Miami-Dade County, it stretches from I-95 and NE 2nd Street on the East, to NW 47th and NW 57th Avenues on the West, and from the Broward County line on the North, to 1515 Street on the South. The City comprises approximately 20 square miles.

Miami Gardens is a solid, working and middle class community of unique diversity. It is the largest predominately African-American municipality in the State of Florida and boasts many Caribbean residents. It is the home to the Miami Dolphins and the Florida Marlins' at Dolphin Stadium and to Calder Casino and Race Course. It has vibrant commercial corridors along the Palmetto Expressway serving as a central shopping district for furniture trade, and along North U.S. 441 serving the automobile trade.

The City is blessed with a central location being midway between the cities of Fort Lauderdale and Miami, and is traversed by I-95, the Palmetto Expressway and the Florida turnpike. It has rail access through the Florida East Coast Railway and the South Florida Tri-rail system. There are three high schools and two universities located within the City's boundary.

The City operates under the Mayor-Council-Manager form of government. Elected officials include the mayor and six council members. There are four single-members, resident districts from which four council members are chosen, with the remaining two council members being elected at-large by citywide vote. The mayor is also elected at-large. The Council appoints the City Clerk, City Attorney and the City Manager who is responsible for implementing policies adopted by the City Council.

The City provides its residents with many municipal services. For public safety, it includes Police, and Code Enforcement. Fire Services are provided by the County to its residents. Public Works provides street maintenance, beautification and improvements, neighborhood improvements. Other municipal services include planning and zoning services, comprehensive land use, recreational services, and support services. The City has one enterprise fund, the stormwater fund. All these services are under the supervision and leadership of the City Manager.

Accomplishments for Fiscal Year 2009

Fiscal Year 2009 marked the completion of many projects that the City has worked so hard since the City's incorporated. Some of the major accomplishments are as follows that has the most impact on City operations and levels of service to our residents:

- Completed Phase I of the N.W. 183 Street beautification project.
- Completed Phase II of the US 441/NW 2nd Avenue beautification project.
- Planted over 500 streets and right-of-way trees as part of the City's tree replacement program.



One of three new playgrounds for 2010

- Three new playgrounds were installed. They are at Vista Verde Park, Brentwood Park and Brentwood Pool.
- Since the implementation of red light camera traffic safety program which encompass five major intersections, accidents have decreased ranging from 22% to 66% depending on the interactions.
- Community Development Department provides assistance of approximately a hundred households under the City's Housing Rehab Program utilizing Community Development Block Grant, SHIP and Disaster Recovery funds. The Public Services program provided approximately 10,000 nutritionally balanced meals to senior citizens and handicapped individuals.
- Began substantial construction of the Miami Gardens Community Center, the City's premier indoor/outdoor recreation facility.
- Staged 11 special events for the community, including a 2-day national headlined Jazz Festival with over \$36,000 attendance.
- The City Clerk's office processed 200% more passport applications for residents in FY 2009 over FY 2008. Also established a uniform process to respond to Public Records requests.
- Reduced Part I (serious) crime by 20% and purchased a Police Incident Command Vehicle through grant to provide on-site resources when needed for remote operations.
- Implement Lien Amnesty Program to gain great compliance for code violations and reduce the number of recorded lien files.



State of the City Speech, May 2010

- Increased after-school programming attendance by 16% and teen programming attendance by 429%.
- Launched 6 new recreation programs for the residents of the City.
- Completed the Water Supply Plan Amendment of the Comprehensive Plan.
- Completed Annual Update to Capital Improvement Element to Comprehensive Plan.

Accomplishments for Fiscal Year 2009 (Continued)

- Implemented on-line vendor registration by the Purchasing Department.
- Held a successful Earth Day program for school students.
- Received a community rating of “7” for our floodplain activities, bring a 15% discount to local policies.



*Before and After
One of homes that the City
renovated utilizing CDBG
funding*



*Mobile Command Center
purchased through grant*

Accomplishments for Fiscal Year 2009 (Continued)



*Patrons enjoying the 2 day events at "Jazz-in-the Gardens".
1st Place for Best Sponsorship Program by Florida Festivals & Events Association*



US441 Street Beautification Project

Financial Highlights

The financial summaries presented on Tables #1 and 2 are based upon a condensed view of the City's assets and liabilities for all funds as of September 30, 2009, the end of the City's fiscal year.

Table #1

Net Assets

As of September 30, 2009 and 2008 (net of depreciation)				
	2009	2008	\$ Increase (Decrease)	% Increase
Current Assets	\$ 23,651,900	\$ 34,680,584	\$ (11,028,684)	-31.80%
Capital Assets	362,311,340	337,505,497	24,805,843	7.35%
Total Assets	385,963,240	372,186,081	13,777,159	3.70%
Long Term Liabilities	67,088,130	47,493,356	19,594,774	41.26%
Other Liabilities	13,740,889	12,622,939	1,117,950	8.86%
Total Liabilities	80,829,019	60,116,295	20,712,724	34.45%
Net Assets	\$ 305,134,221	\$ 312,069,786	\$ (6,935,565)	-2.22%

Current Assets are highly liquid and include cash, investments and receivables. The decrease of the current assets is attributed to the use of cash for parks improvements in FY2009.

Capital Assets are the City's long term investments in land, buildings, equipment and machinery, infrastructure, and construction in progress. Capital assets are shown at their original cost less accumulated depreciation. The City uses these capital assets to provide services to the residents; consequently these assets are not available for future spending. Capital assets (net of depreciation) increased from \$337.5 million in FY2008 to \$362.3 million in FY2009. This year's major capital asset additions before depreciation for the governmental activities equaled approximately \$39.7 million and include the following:

- \$16.2 million for the purchase of Warren Henry and Cornerstone properties to foster future economic development.
- \$4.0 million for the purchase of the Archdiocese property for use of recreation purpose
- \$3.6 million for the purchase of the Spirit of Christ land for future economic development.
- \$10.9 million construction in progress for parks improvements.
- \$2.5 million in machinery and equipment which includes vehicles for police and public works department and computer servers.

The business-type activities reported approximately \$1.2 million in capital asset additions before depreciation mainly for the stormwater utility improvements.

	Governmental Activities	Business-type Activities	Total
Land	\$ 38,157,479	\$ -	\$ 38,157,479
Buildings	10,426,912	-	10,426,912
Improvements other than Bldg.	2,913,296	-	2,913,296
Equipment	10,191,770	594,030	10,785,800
Infrastructure	269,852,652	15,369,791	285,222,443
Construction-in-progress	14,793,685	11,725	14,805,410
	<u>\$ 346,335,794</u>	<u>\$ 15,975,546</u>	<u>\$ 362,311,340</u>

Financial Highlights (continued)

Long term liabilities represent debt obligations of the City from long term financing. The proceeds of these debt issues are used to finance capital improvements. Long term liabilities increased by approximately \$18.6 million during FY2009 attributed to the issuance of a \$20.1 million revenue bond for the purchase of the land mentioned above with the exception of the Spirit of Christ land. The difference is what the City has paid off in previous bond issuance.

Net assets represent assets less liabilities. The largest portion of the City's net assets reflects its investment in capital assets net of related debt (\$296.6 million). Although the City's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since capital assets themselves cannot be used to liquidate these liabilities. Of the City's total net assets, \$8.04 million is unrestricted and therefore may be used to meet the City's ongoing obligations to residents and creditors.

Table #2

Change in Net Assets

For Fiscal Year Ended September 30, 2009, 2008					
	2009	2008	\$ Increase (Decrease)	% Increase (Decrease)	
Revenues					
Property Taxes	\$ 23,840,155	\$ 22,871,432	\$ 968,723	4.24%	
Franchise fees	5,052,006	5,185,545	(133,539)	-2.58%	
Utility Taxes	10,561,528	9,918,787	642,741	6.48%	
Intergovernmental Revenue	12,568,685	13,599,092	(1,030,407)	-7.58%	
Misceallenous	789,455	292,994	496,461	169.44%	
Investment Earnings	494,725	1,039,108	(544,383)	-52.39%	
Charges for Services	12,186,124	9,659,879	2,526,245	26.15%	
Operating Grants	4,592,454	4,399,823	192,631	4.38%	
Capital Grants	7,917,331	9,867,071	(1,949,740)	-19.76%	
Total Revenues	78,002,463	76,833,731	1,168,732	1.52%	
Expenses:					
General Government	15,125,100	13,812,430	1,312,670	9.50%	
Public Safety	38,234,029	36,798,937	1,435,092	3.90%	
Public Works	16,493,776	16,665,610	(171,834)	-1.03%	
Recreation	7,021,628	7,584,382	(562,754)	-7.42%	
Economic & Physical Environment	6,473,247	2,108,238	4,365,009	207.05%	
Interest on long term debt	1,590,157	1,535,354	54,803	3.57%	
Total Expenses	84,937,937	78,504,951	6,432,986	8.19%	
Change in Net Assets	(6,935,474)	(1,671,220)	(5,264,254)		
Net Assets - Beginning	312,069,787	313,741,007	(1,671,220)	-0.53%	
Net Assets - Ending	\$ 305,134,313	\$ 312,069,787	\$ (6,935,474)	-2.22%	

Total revenues on table #2 increased by 1.52% during FY2009, this increase is mainly contributed to higher property tax collection and increase in charges for services which is attributed to the fines collected under the red light camera traffic safety program.

Total expenses on table #2 increased by \$6.4 million is partly attributed to expenditures incurred for Community Development Block Grant and the recognition of the insurance benefits costs for the retirees in the amount of \$919,965. This is the first year that the Government Accounting Standard Board requires the recording of such cost.

Financial Highlights (continued)

Types of Funds

Governmental Funds

- The **General Fund** accounts for revenues and expenditures associated with the general operations of the City that are not required to be accounted for in separate funds.
- **Special Revenue Funds** account for proceeds of specific revenue sources that are legally restricted for specific purposes. (e.g. streets and schools). The City of Miami Gardens has six special revenue funds, Impact Fees, CDBG, SHIP, Development Services, Law Enforcement Trust Fund, and the Transportation fund.
- **Capital Projects funds** account for the financial resources used for the construction and/or acquisition of major capital facilities. The City has one capital projects fund.
- **Debt Service funds** account for the financial resources used for the payment of principal and interest on all of the City's debt. The City has one debt service fund.

Enterprise Funds

Enterprise Funds account for activities the City operates similar to private businesses. The City of Miami Gardens has one enterprise fund for the fiscal year ending September 30, 2009, the Stormwater fund.

The PAFR will focus on the four major funds of most interest to citizens: the General Fund, Stormwater Fund, Transportation Fund, and the Capital Projects Fund.

General Fund

Fund Balance- Fund Balance is the excess of what the City owns (assets) over what the City owes (debts or liabilities). The City of Miami Gardens has established a goal of maintaining an unrestricted fund balance equal to 20-25% of the annual budgeted general fund expenditures. This equates to approximately three (3) months of operating revenue. As of September 30, 2009, the City's unrestricted general fund balance increased to \$9.2 million (an increase of \$403,685 when compared to FY 2008) which represents 15.5% of budgeted annual expenditures.

General Fund Revenues- Compared to the prior year, total General Fund revenues increased by \$4 million or 7.13% in fiscal year 2009. As can be seen on Table #3, Charges for services and Fines and forfeitures account for majority of the increase.

Financial Highlights (continued)

Table #3 (General Fund)

Revenue by Types

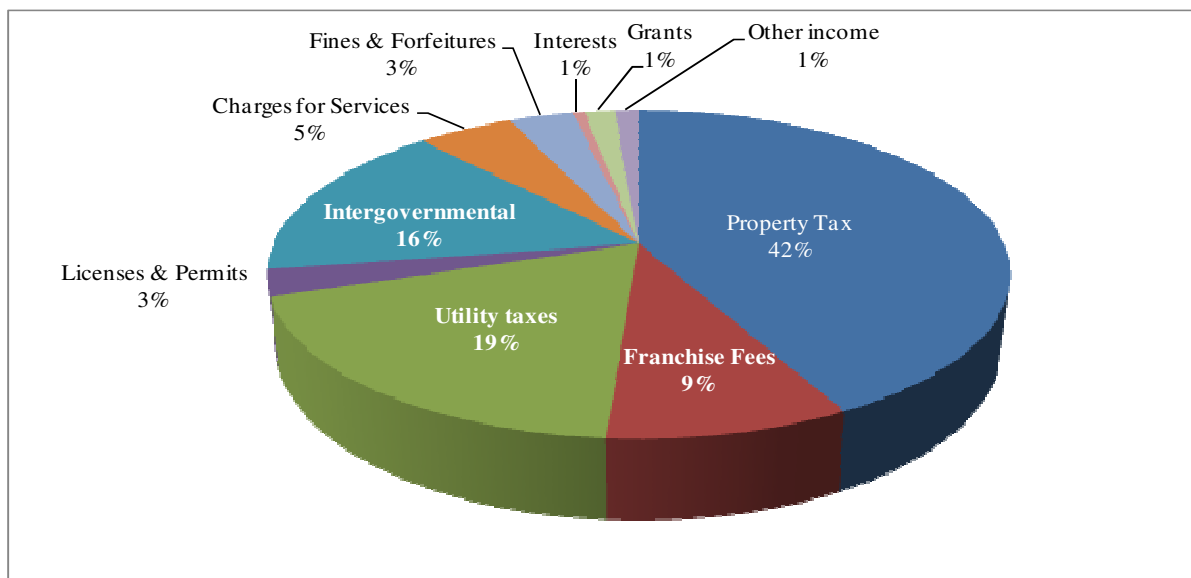
	2009		2008		Variance	Variance
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property Tax	\$ 23,840,155	42.2%	\$ 22,871,432	43.6%	\$ 968,723	4.24%
Franchise Fees	5,052,006	8.9%	5,185,545	9.9%	(133,539)	-2.58%
Utility taxes	10,561,528	18.7%	9,918,787	18.9%	642,741	6.48%
Licenses & Permits	1,472,823	2.6%	1,552,568	3.0%	(79,745)	-5.14%
Intergovernmental	8,894,673	15.8%	9,997,498	19.1%	(1,102,825)	-11.03%
Charges for Services	2,817,180	5.0%	1,070,379	2.0%	1,746,801	163.19%
Fines & Forfeitures	1,894,072	3.4%	514,606	1.0%	1,379,466	268.06%
Interests	343,753	0.6%	508,024	1.0%	(164,271)	-32.34%
Grants	881,599	1.6%	553,196	1.1%	328,403	59.36%
Other income	710,003	1.3%	269,154	0.5%	440,849	163.79%
TOTAL REVENUE	\$ 56,467,792	100.0%	\$ 52,441,189	100.0%	\$ 4,026,603	7.68%

The reasons for the increase are as follows:

- Increase in Charges for Services is attributed to over \$1.1 million from Jazz-in-the-Gardens event. Prior year, such revenue was recognized in the Special Revenue fund.
- Increase in Fines and Forfeitures is attributed to the Red Light Camera Traffic Safety Program. The City recognized \$1.2 million in Fines.
- Property tax revenues increased is attributed to new construction and better collection rate of taxes.
- Decrease of \$1 million from intergovernmental revenues is mainly attributed to lower distribution in the State half cents sales tax and state revenue sharing.

A breakdown of the composition of the revenues is provided below:

Where the Money Came From



Financial Highlights (continued)

General Fund Expenditures

Table #4 shows that expenditures in the General Fund increased by 13.78% over the previous fiscal year. The significant causes of the increase were the purchase of \$7.3 million Henry Warren land to foster economic development and parks improvements. Decrease in Principal & interest payment is attributed to in FY2009, the City has established a Debt Service which pays for all debt services. The funding for the debt services fund is derived from interfund transfers.

Table #4

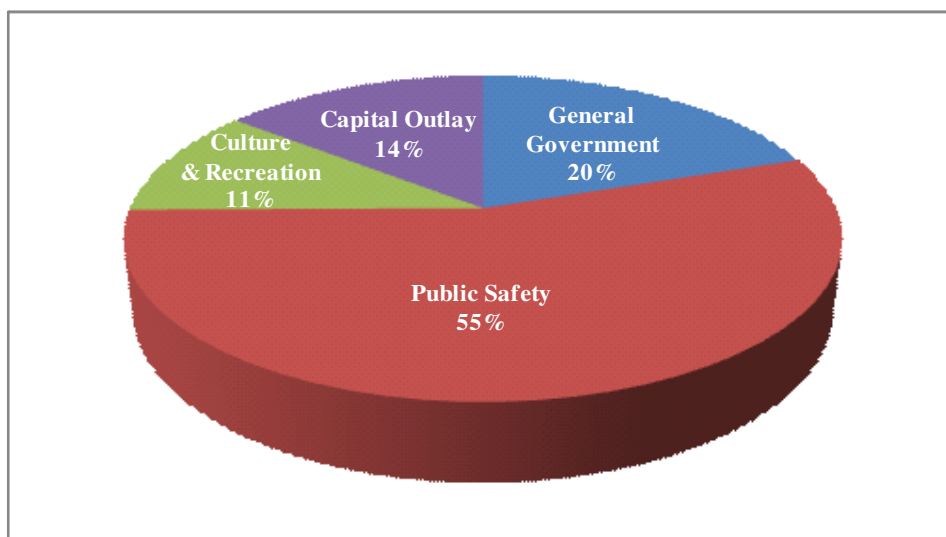
Expenditures by Categories

	2009		2008		Variance	Variance
	Amount	% of Total	Amount	% of Total	Amount	Percent
General Government	\$ 19,313,010	32.48%	\$ 11,236,690	20.38%	\$ 8,076,320	71.87%
Public Safety	33,340,553	56.07%	34,271,652	62.15%	(931,099)	-2.72%
Culture & Recreation	6,810,516	11.45%	6,302,324	11.43%	508,192	8.06%
Principal & Interest	-	0.00%	3,336,749	6.05%	(3,336,749)	-100.00%
TOTAL	\$ 59,464,079	100.00%	\$ 55,147,415	100.00%	\$ 4,316,664	7.83%

The City spends 59 cents of every dollar received in revenues on public safety costs (police, school crossing guards, and code enforcement), 12 cents on parks and recreation. This means that almost 71 cents of every dollar goes to cover the costs of providing direct service to our residents, while 29 cents goes to administration, special events, and internal services such as purchasing, fleet maintenance and information technology.

The following chart details the way resources from the General Fund were used:

How Was the Money Spent



Financial Highlights (continued)

Capital Projects Fund

Revenues for the City's capital projects fund includes bond proceeds and transfers from the General Fund were \$21.9 million. The expenditures were \$32.3 million which includes \$720,110 transfer to debt service fund. This includes approximately \$23 million for the purchase of land and \$10 million in parks improvements. At the end of the fiscal year, the Capital Projects fund has a fund balance of \$2.85 million.

Transportation Fund

Revenues for the transportation fund were \$3.2 million, of which approximately \$3 million is derived from gas tax and State Revenue Sharing distribution. Expenditures were \$2.9 million or approximately \$200,000 more than FY 2008. The expenditures is mainly used to maintain the City's streets which includes sidewalks and streets resurfacing and all beautification projects in our roadways. The fund balance for year end was \$518,120.

Stormwater Fund

The Stormwater fund is the City's only enterprise fund. The City executed an interlocal agreement with Miami-Dade County in 2007 to take over operation of the system. Stormwater revenues for fiscal year 2009 were \$4.0 million and operating expenditures, debt service \$2.7 million. This created an operating income of \$1,267,588 and the ending unrestricted fund balance for fiscal year 2009 was \$8,391,792.

Long Term Debt

At year-end, the City had \$63 million in governmental activities debt outstanding - an increase of approximately \$18.6 million or 42% percent over last year. The outstanding debt for the business-type activities was \$8.4 million, a decrease of approximately \$230,000 when compared to FY 2008.

	Governmental Activities	Business-Type Activities	Total
Due to Miami-Dade County	\$ 8,060,918	\$ 8,365,443	\$ 16,426,361
Revenue Bond	29,157,789	-	29,157,789
Capital Lease	3,158,420	-	3,158,420
Taxable Revenue Bond	16,100,000	-	16,100,000
Compensated Absences	6,597,437	50,873	6,648,310
	<u>\$ 63,074,564</u>	<u>\$ 8,416,316</u>	<u>\$ 71,490,880</u>

The increase in the debt outstanding of the \$18.2 million is the issuance of bond for the purchase of Warren Henry property (\$7.3 million), purchase of the Cornerstone property (\$8.8 million) and purchase of the Archdiocese property (\$4 million).

For the Future & Economic Outlook

Although fiscal year 2009 was a year of significant accomplishments, the City is faced with many challenges at this downturn of the economy. The City is faced with declining revenues from the State, declining property taxes attributed to the economy and impact by Amendment 1, declining utility taxes and investment earnings and at the same time must tackle rising personnel costs, pension contributions, health insurance costs and other operating expenses. Also with the declining economy, the City, as well as many other state and local governments, face the challenge of providing infrastructure improvements and support systems as well as the funding necessary to maintain the quality of life for our citizens. Some of our future projects include:

- ✓ The construction of the City Hall, as currently we are renting in an industrial area.
- ✓ Continue to improve the infrastructure in our parks, which includes the construction of an amphitheatre.
- ✓ Stormwater drainage projects at NW 38 Place, NW 21 Avenue, and N.W. 165-171 street.
- ✓ To repair, replace or add 10,000 linear feet of sidewalk.
- ✓ Pave a minimum 5 miles of streets.
- ✓ Begin construction of the 7th Avenue reconstruction project.
- ✓ Begin work on Phase II of the 183 Street beautification project.
- ✓ Completed the renovation in the Rolling Oaks Park which includes the installation of a football field and new entrance.
- ✓ Renovate the property that the City purchased from the Archdiocese to a senior center.
- ✓ Increase tree canopy within the City's boundary.
- ✓ Complete the new Zoning Code/Land Development Regulations.
- ✓ Market established economic development corridors on a regional and national level
- ✓ Review level of services to address the reduction of ad valorem tax revenues resulting from Amendment 1 and decline of revenues attributed to the economy.

The City experienced some increase in building activities; however, general economic conditions especially in the real estate market, will require the City to closely monitor its revenues and expenditures.

For fiscal year 2009, the City is required to implement Statement 45 of the Government Accounting Standard Board. This statement required the City to recognize the future cost of the other post employment benefits (OPEB). The calculation by an independent actuary indicated the City's annual contribution to fund OPEB is \$919,000 for retiree insurance. In fiscal year 2009 and 2010 the City did not fund any of this cost and will have to recognize the amount as a liability which will result in a reduction of the City's fund balance and net assets.

During the primary election in January 2008 the voters approved Amendment 1 which provides portability of the "Save Our Home" amendment which allows homestead owners to move their sheltered "Save Our Home" value from one primary residence to the next. The voters also approved an additional \$ 25,000 homestead exemption.

Awards and Acknowledgements

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Miami Gardens for its comprehensive annual financial report for the fiscal year ended September 30, 2008. This was the City's second year of receiving this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for the certificate.

The City has also received, for the fifth straight year, the Distinguished Budget Presentation Award for its FY2008-09 budget. In addition, the City was awarded its second Award for Outstanding Achievement in Popular Annual Financial Report for its FY2008 report. These awards are also given by the Governmental Finance Officers Association of the United States and Canada (GFOA). For FY2008, Miami Gardens has received all three awards issued by the GFOA and is only one of six municipalities in the State of Florida to do so.

During FY2009, the City is selected as 1 of 10 cities in the United States as a "Crown Community" for leadership in Innovation by American City & County Magazine. In July 2009 the City of Miami Gardens was featured on NBC's Nightly News with Brian Williams in a feature entitled "What Works". The Florida Festivals & Events Association's named Jazz-in-the-Gardens as 1st place for the Best Sponsorship Program.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance department. Finally, we would also like to thank the various operating departments for their timely contributions in the writing of this report.

For more information on this report or the City's finances, please call the Finance Department at 305-622-8000.